Canadian Environmental Assessment Agency

2016–17

Report on Plans and Priorities

The Honourable Catherine McKenna, P.C., M.P.
Minister of Environment and Climate Change and
Minister Responsible for the Canadian
Environmental Assessment Agency

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Minister's Message

I am pleased to present the 2016-17 Report on Plans and Priorities for the Canadian Environmental Assessment Agency (the Agency).

This 2016-17 Report on Plans and Priorities of the Agency provides information on how the Agency will support the Government on achieving our agenda in the coming year and I am fully confident that the Agency is prepared to successfully support me and work with our partners inside and outside government to deliver for Canadians. However, given our commitment to more effective reporting, this year's report will be the final submission using the existing reporting framework.

The Prime Minister and the President of the Treasury Board are working to develop new, simplified and more effective reporting processes that will better allow Parliament and Canadians to monitor our Government's progress on delivering real change to Canadians. In the future, the Agency's reports to Parliament will focus more transparently on how we are using our resources to fulfill our commitments and achieve results for Canadians.

These new reporting mechanisms will allow Canadians to more easily follow our Agency's progress towards delivering on our priorities, which were outlined in the Prime Minister's mandate letter[i] to me.

The Agency conducts high-quality environmental assessments, gathers input from Indigenous Peoples and Canadians, and provides evidence-based information to allow our government to make informed decisions on major projects. For projects that proceed, the environmental assessment process also identifies mitigation measures and follow-up programs to further monitor and protect the environment throughout a project's lifecycle.

Our goal is to have a robust, science-based, environmental assessment process that protects our rich natural environment, respects the rights of Indigenous Peoples, and supports our natural resources sector. In fact, a clean environment and a strong economy go hand-in-hand – and both are needed for our future success.

As part of efforts to restore public trust, one of our government's immediate priorities is to review Canada's environmental assessment processes and the Agency will play a key role in this review. As indicated in the Speech from the Throne, public input will be sought and considered. Environmental inputs will be understood and minimized. Decisions will be informed by scientific evidence, and Indigenous Peoples will be more fully engaged in reviewing and monitoring major resource development projects.

I invite parliamentarians and Canadians to read the 2016-17 Report on Plans and Priorities to learn more about the Agency's priorities and how it plans to achieve them.

The Honourable Catherine McKenna, P.C., M.P.
Minister of Environment and Climate Change
and Minister Responsible for the Canadian
Environmental Assessment Agency

Institutional Head's Message

I am pleased to submit this Report on Plans and Priorities, outlining how the Canadian Environmental Assessment Agency plans to meet its priorities in the 2016–17 reporting period.

The Agency will continue to deliver high-quality science-based environmental assessments in support of government decisions about major projects. It will also continue to take a whole-of-government approach to Indigenous consultation in the context of environmental assessments.

In delivering environmental assessments, the Agency will support the Minister of Environment and Climate Change in her decision making capacity, and will undertake the development of robust decision statements, oversight of follow-up programs and the administration of a Compliance and Enforcement Program.

This year, the Agency will support the Minister in leading a national review of environmental assessment processes. In doing so, we will work collaboratively with other departments to support the participation of Indigenous Peoples, provinces and territories, industry, environmental organizations, communities and the public.

Looking forward, the Agency will continue to deliver on its mandate by creating high employee engagement, building leadership capacity and modernizing its business practices.

I encourage you to read this report for more details on the Agency's priorities.

Ron Hallman
President
Canadian Environmental Assessment Agency

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister: The Honourable Catherine McKenna, P.C., M.P., Minister of Environment and Climate Change

Institutional Head: Ron Hallman, President

Ministerial Portfolio: Environment

Enabling Instrument(s): *Canadian Environmental Assessment Act, 2012*[ii]

Year of Incorporation / Commencement: 1994

Other: The *Canadian Environmental Assessment Act, 2012* is supported by three regulations: the *Regulations Designating Physical Activities*; the *Prescribed Information for the Description of a Designated Project Regulations*; and the *Cost Recovery Regulations*. The Agency also supports its President in his role as the Federal Administrator under the *James Bay and Northern Quebec Agreement* and the *Northeastern Quebec Agreement*.

Organizational Context

Raison d'être

Environmental assessment (EA) contributes to informed decision making in support of sustainable development.

The Canadian Environmental Assessment Agency (the Agency) delivers high-quality EAs in support of government decisions about major projects.

Responsibilities

EA informs government decision-making and supports sustainable development by identifying opportunities to eliminate, reduce or control a project's potential adverse impact on the environment before the project is undertaken, and by ensuring that mitigation measures are applied if a project is allowed to proceed.

The *Canadian Environmental Assessment Act, 2012* (CEAA 2012) and its accompanying regulations provide the legislative framework for federal EA. EAs consider whether "designated projects" are likely to cause significant adverse environmental effects that fall within the legislative authority of Parliament or result from a federal decision about the project. Assessments are conducted by one of three responsible authorities: the Agency, the Canadian Nuclear Safety Commission for projects that it regulates or the National Energy Board for projects that it regulates. CEAA 2012 requires that opportunities for public participation be provided during EAs and that participant funding and a public registry, including an Internet site, be established. CEAA 2012 also defines the roles and responsibilities of the Agency, the other responsible authorities, decision-makers and project proponents.

When the Agency is the responsible authority, it determines whether an EA is required for a designated project and conducts or manages the EA in accordance with the procedures and timelines set out in CEAA 2012. The Agency is also responsible for managing the EAs of most projects that continue to be assessed under the former *Canadian Environmental Assessment Act*, in accordance with the transitional provisions of CEAA 2012.

The Agency advises the Minister of Environment and Climate Change in fulfilling her responsibilities under CEAA 2012, including establishing review panels to conduct EAs of certain projects and issuing enforceable EA decision statements at the conclusion of the EA process.

In support of timely and efficient EAs, the Agency coordinates the delivery of federal EA requirements with provinces and territories to avoid duplication, and advises the Minister of Environment and Climate Change on requests to substitute the CEAA 2012 process

with the EA process of another jurisdiction. Additionally, the Agency—on its own and in collaboration with partners—conducts research to support high-quality EAs and develops effective EA policies and practices. For designated projects for which it is the responsible authority, the Agency promotes compliance with CEAA 2012, and takes action as required to ensure proponents comply with the legislation's requirements.

The Government of Canada takes a whole-of-government approach to Indigenous consultation in the context of EAs, to ensure that Indigenous groups are adequately consulted and, where appropriate, accommodated when the Crown (federal government) contemplates actions that may adversely impact potential or established Indigenous or treaty rights. The Agency serves as the Crown consultation coordinator to integrate the Government of Canada's Indigenous consultation activities into the EA process to the extent possible, for review panels and for EAs for which the Agency is responsible.

The Agency leads federal project review activities under the environmental and social protection regimes set out in sections 22 and 23 of the *James Bay and Northern Quebec Agreement* (JBNQA) and in the *Northeastern Quebec Agreement* (NEQA). The JBNQA and the NEQA are constitutionally protected comprehensive land claim agreements. The Agency supports its President who, as the federal administrator, must review and determine whether projects of a federal nature proposed under the JBNQA or NEQA should proceed and, if so, under which conditions.

The *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* establishes a self-assessment process for departments and agencies to conduct a strategic environmental assessment of a policy, plan or program proposal. The Agency supports the Minister of Environment and Climate Change in promoting the application of the Directive, and provides federal authorities with advice, training and guidance upon request.

The Agency was established in 1994, and is headed by a President who reports to the Minister of Environment and Climate Change. The Agency has its headquarters in Ottawa, with regional offices in Halifax, Quebec City, Toronto, Edmonton, and Vancouver.

Strategic Outcome(s) and Program Alignment Architecture

1. Strategic Outcome: High-quality and timely environmental assessments of major projects to protect the environment and support economic growth

1.1 Program: Environmental Assessment Policy

1.2 Program: Environmental Assessment Delivery

Internal Services

Organizational Priorities

Priority: Play a lead role in shaping the future of federal EA

Description: To remain effective and support sound decisions, the EA system must be responsive to Canada's evolving economic, technological, social and physical environments. To this end, the Agency strives to ensure that the federal EA framework meets the needs of Canadians and supports sustainable development.

Priority Type[1]*: Ongoing*

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture
The Agency will support the Minister of Environment and Climate Change in leading a national review of EA processes.	2016	2017	1.1 Environmental Assessment Policy Program 1.2 Environmental Assessment Delivery Program
Ensure policy direction is clear, and policy instruments reflect lessons learned from the implementation of CEAA 2012 and feedback received from the public, stakeholders and Indigenous Peoples.	Ongoing	Ongoing	1.1 Environmental Assessment Policy Program
Maintain a strong relationship with the United States on EA issues of mutual interest.	Ongoing	Ongoing	1.1 Environmental Assessment Policy Program
Demonstrate and maintain Canada's international leadership in EA.	Ongoing	Ongoing	1.1 Environmental Assessment Policy Program

1. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

Offer advice, training and guidance to other government departments and agencies to strengthen strategic environmental assessment.	Ongoing	Ongoing	1.1 Environmental Assessment Policy Program
Further develop the implementation framework for the regional studies provisions under CEAA 2012.	2012	2016	1.1 Environmental Assessment Policy Program
Develop the policy framework to support the development of robust decision statements, the conduct of follow-up programs, and the administration of the Compliance and Enforcement Program.	Ongoing	Ongoing	1.1 Environmental Assessment Policy Program 1.2 Environmental Assessment Delivery Program

Priority: Deliver high-quality environmental assessments of major projects

Description: High-quality science-based EAs provide a thorough consideration of the environmental effects of a designated project, and identify measures to mitigate adverse effects. EAs are informed by public participation and consultation with Indigenous Peoples, are completed in a timely manner, and provide the information necessary to enable informed decision making. Through a Minister's decision statement, for projects that are allowed to proceed, the EA process leads to clear, measurable, and enforceable conditions, including mitigation measures and follow-up program requirements. Strong decision statements, combined with compliance promotion, compliance verification and enforcement activities in relation to CEAA 2012, its regulations and decision statements, leads to the strengthening of environmental protection, a clean environment and a sustainable economy.

To ensure timeliness and predictability, CEAA 2012 establishes timelines for the Agency to: determine the adequacy of the project description; determine whether an EA of a designated project is required; engage the public, stakeholders and Indigenous Peoples; and complete the EA including the identification of potential conditions that may be established in the decision statement should the project be allowed to proceed.

Priority Type[2]*: Ongoing*

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture

2. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

Deliver high-quality, science-based EAs, including the development of robust decision statements, the conduct of follow-up programs and the administration of the Compliance and Enforcement Program.	Ongoing	Ongoing	1.2 Environmental Assessment Delivery Program
Promote compliance with CEAA 2012, its regulations and the decision statements issued by the Minister of Environment and Climate Change; verify compliance through on-site and off-site inspections; ensure that investigations are conducted where required; and, in cases of non-compliance, undertake enforcement activities so that corrective actions are taken to avoid adverse environmental effects.	2012	Ongoing	1.2 Environmental Assessment Delivery Program
Ensure that proponents' designs, plans and actions are informed by the best available information and knowledge, including community and Indigenous traditional knowledge, are based on validated methods and models, are undertaken by qualified individuals, and apply the best available economically and technologically feasible measures.	Ongoing	Ongoing	1.2 Environmental Assessment Delivery Program
Integrate Indigenous consultation activities into the EA process to the extent possible, and take into account community knowledge and Indigenous traditional knowledge.	2007	Ongoing	1.2 Environmental Assessment Delivery Program
Provide comprehensive online access to information about CEAA 2012 and the EA of individual projects to support open and transparent government and meaningful participation by all parties with an interest in the EA process.	Ongoing	Ongoing	1.2 Environmental Assessment Delivery Program
Examine options for enhanced opportunities for the public, stakeholders and Indigenous Peoples to participate in the EA process in meaningful ways.	2015	2016	1.2 Environmental Assessment Delivery Program
Facilitate public involvement in project EAs through the delivery of a Participant Funding Program.	Ongoing	Ongoing	1.2 Environmental Assessment Delivery Program
Work with other jurisdictions, including the provinces and territories, to avoid duplication through delegation,	Ongoing	Ongoing	1.2 Environmental Assessment Delivery Program

substitution and/or equivalent assessments.			

Priority: Build effective relationships with Indigenous Peoples

Description: CEAA 2012 includes provisions specific to the interests of Indigenous Peoples, such as the consideration of changes to the environment caused by a designated project on important aspects of the lives of Indigenous Peoples such as their health, socio-economic conditions and current use of lands and resources, and consultation with Indigenous Peoples on policy issues related to CEAA 2012. In support of reconciliation and fulfilling the federal government's duty to consult, the Agency integrates consideration of impacts on established or potential Indigenous and treaty rights into the EA process to the greatest extent possible and identifies mitigation measures for inclusion in decision statements as potential means for addressing any such impacts. The Agency also participates in the negotiation and implementation of the EA components of land claim agreements and self-government arrangements. Building relationships with Indigenous Peoples that encourage and facilitate their active participation in these activities and ensuring that Indigenous traditional knowledge can be integrated in the EA is essential to the Agency's mandate.

Priority Type[3]*: Ongoing*

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture
Integrate consultation on the potential impacts of designated projects on established or potential Indigenous and treaty rights into the EA process to the extent possible, and identify mitigation measures to address concerns.	Ongoing	Ongoing	1.1 Environmental Assessment Policy Program 1.2 Environmental Assessment Delivery Program

[3] Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

Develop and implement a strategic outreach and engagement plan to involve Indigenous Peoples and Indigenous knowledge holders in policy development, including research, guidance and training documents related to the application of CEAA 2012 and consultation in the EA process. The plan will support stronger participation by Indigenous Peoples in federal EAs, and help gather input on policy and technical issues of interest to Indigenous Peoples.	2015	2018	1.1 Environmental Assessment Policy Program 1.2 Environmental Assessment Delivery Program
Support the federal government's reconciliation efforts through negotiation of EA chapters in modern treaties.	Ongoing	Ongoing	1.1 Environmental Assessment Policy Program
Through the Participant Funding Program, effectively and efficiently make funds available to support Indigenous Peoples' participation in the EA process and associated Indigenous consultation activities.	Ongoing	Ongoing	1.2 Environmental Assessment Delivery Program
Contribute, as appropriate, to Government of Canada approaches to enhancing relationships and contributing to reconciliation with Indigenous Peoples.	Ongoing	Ongoing	1.1 Environmental Assessment Policy Program 1.2 Environmental Assessment Delivery Program
Expand and update the suite of operational policy instruments available to Agency employees based on lessons learned.	Ongoing	Ongoing	1.1 Environmental Assessment Policy Program
Prepare materials that clarify CEAA 2012 decision making processes for Indigenous Peoples, stakeholders and the public.	Ongoing	Ongoing	1.1 Environmental Assessment Policy Program
Comply with obligations established under the *James Bay and Northern Quebec Agreement* and the *Northeastern Quebec Agreement*. The Agency supports its President in his role as the Federal Administrator for these two agreements.	Ongoing	Ongoing	1.1 Environmental Assessment Policy Program

For more information on organizational priorities, see the Minister's mandate letter on the Prime Minister of Canada's website.[iii]

Risk Analysis

Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
The Agency operates in a continuously changing environment impacted by outside factors, such as the level of economic activity, which affects the type, timing, volume and distribution of projects requiring EAs.	In 2016–17, the Agency will be subject to additional financial pressures and will develop strategies to ensure resources are available where and when required. The Agency maintains proactive relationships with stakeholders, to forecast and plan its work to the extent possible. The Agency reallocates resources, where possible, and develops strategies in collaboration with central agencies to meet its legislative responsibilities.	1.2 Environmental Assessment Delivery Program
Shared federal and provincial responsibility for environmental management leads to risks of duplication between federal and provincial EA processes.	This is an ongoing risk, as environmental management is an area of shared responsibility between the federal and provincial governments under the *Constitution Act, 1982*. As a result, some projects may require both a federal and a provincial EA. The Agency seeks opportunities with other jurisdictions to coordinate EA processes, to reduce duplication and to streamline the process for stakeholders in project-specific EAs. Cooperative mechanisms such as the delegation, substitution and equivalency provisions of CEAA 2012 can also be applied to manage this risk.	1.1 Environmental Assessment Policy Program 1.2 Environmental Assessment Delivery Program
The Agency manages Indigenous consultation activities with potentially affected Indigenous Peoples during the EAs of designated projects for which it is responsible, in order to fulfill	This is an ongoing risk, because each EA may give rise to the legal duty to consult. The Agency integrates Indigenous consultation activities into the EA process to the extent possible, and	1.1 Environmental Assessment Policy Program 1.2 Environmental Assessment Delivery Program

the federal Crown's legal duty to consult. A lack of adequate consultation makes it difficult to ensure appropriate accommodation can be identified and implemented. A lack of adequate consultation may also be a source of regulatory uncertainty.	identifies measures that can be included in a decision statement to address concerns, thereby supporting the federal Crown to meet its legal duty to consult for the government actions associated with a project, and for the Minister of Environment and Climate Change to make an EA decision. When cooperative mechanisms such as substitution are undertaken with other jurisdictions, the Agency maintains the responsibilities for the substantive aspects of consultation, but may delegate the procedural aspects of Indigenous consultation to the other jurisdiction, the proponent or both. The Agency is consulting with Indigenous Peoples in order to determine how to foster more collaborative relationships with them and support their participation in the EA process. The Participant Funding Program provides up to $4.469 million in financial assistance specifically to Indigenous Peoples, to prepare for, and participate in, consultation activities and opportunities associated with EAs undertaken by the Agency or by review panels.	
Proponent non-compliance with CEAA 2012, including non-compliance with the conditions identified in decision statements could undermine public confidence in whether the legislation is achieving its objectives and whether the Agency is delivering its responsibilities under the legislation.	Decision statements contain clear and measurable conditions, including mitigation measures and follow-up program requirements. The Agency's Compliance and Enforcement Program promotes and verifies compliance and determines an appropriate response to situations involving non-compliance.	1.1 Environmental Assessment Policy Program 1.2 Environmental Assessment Delivery Program

Protecting the environment, while supporting strong economic growth and improving the quality of life of Canadians, is a priority of the Government of Canada. EA, including strategic environmental assessment, supports this priority by ensuring that environmental effects are considered before decisions are made to allow policies, plans, programs or projects to be implemented.

CEAA 2012 includes provisions for a range of approaches in support of the goal of "one project, one review", within a defined time period, including cooperative EAs, delegation, substitution and equivalency. When the Government of Canada, a provincial government or any agency or body that is established under an Act of the legislature of a province both require EAs, the Agency works with that province, agency or body, to the extent possible, to design and deliver a single, effective and efficient EA process that addresses the requirements of both jurisdictions.

The federal Crown has a legal duty to consult and, where appropriate, accommodate Indigenous Peoples when it contemplates conduct that may adversely affect potential or established Indigenous or treaty rights. The Agency integrates Indigenous consultation considerations into all EAs it conducts and EAs conducted by review panels. As Crown consultation coordinator, the Agency initiates early engagement with Indigenous Peoples, develops consultation plans, coordinates consultation activities, considers and responds to issues raised by Indigenous Peoples with respect to current use of lands and resources and Indigenous and treaty rights, and summarizes the outcomes of consultations for decision-makers—particularly for the Minister of Environment and Climate Change. For substituted EAs, procedural aspects of Indigenous consultation are delegated to the province. The Government of Canada remains responsible for ensuring that potentially impacted Indigenous Peoples are adequately consulted and, where appropriate, accommodated. Upon issuance of an EA decision statement by the Minister of Environment and Climate Change which includes measures to address concerns raised during the EA, the responsibility for fulfilling any consultation obligations rests with the federal departments and agencies that have regulatory responsibilities for the project.

CEAA 2012 provides the Agency with the framework required to deliver an efficient and effective EA process, by establishing clear timelines and providing the means to ensure compliance with the Minister of Environment and Climate Change's EA decision statements. The Agency has put in place the necessary measures to implement CEAA 2012, including the promotion and verification of compliance.

Planned Expenditures

Budgetary Financial Resources (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
30,911,035	30,911,035	30,911,035	30,911,035

Human Resources (Full-time equivalents [FTEs])

2016–17	2017–18	2018–19
234	234	234

Budgetary Planning Summary for Strategic Outcome(s) and Program(s) (dollars)

Strategic Outcome(s), Program(s) and Internal Services	2013–14 Expenditures	2014–15 Expenditures	2015–16 Forecast Spending	2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
Strategic Outcome: High-quality and timely environmental assessments of major projects to protect the environment and support economic growth							
Environmental Assessment Policy Program	4,351,344	4,141,055	4,276,434	3,932,432	3,932,432	3,932,432	3,932,432
Environmental Assessment Delivery Program	18,016,837	13,552,979	22,176,955	21,729,743	21,729,743	21,729,743	21,729,743
Subtotal	22,368,181	17,694,034	26,453,389	25,662,175	25,662,175	25,662,175	25,662,175
Internal Services Subtotal	10,260,299	12,063,055	5,442,260	5,248,860	5,248,860	5,248,860	5,248,860
Total	32,628,480	29,757,089	31,895,649	30,911,035	30,911,035	30,911,035	30,911,035

The planned spending figures for the Environmental Assessment Delivery Program listed in the table above do not include cost-recoverable expenditures. The Agency has the authority to recover up to $8.0 million in costs annually, which is netted against the voted authority.

The expenditures indicated for 2013–14 and 2014–15 represent the actual expenditures as reported in the 2014 and 2015 Public Accounts, respectively. For fiscal year 2015–16, the forecast spending represents the Agency's planned budgetary and statutory expenditures.

The increase in Environmental Assessment Delivery Program 2015–16 forecast spending and 2016–17 to 2018–19 planned spending is mainly due to the attribution of direct internal services costs to program delivery. Internal Services spending for these years has decreased in relation to this attribution. This costing methodology is in accordance with the Treasury Board of Canada Secretariat *Guide on Internal Services Expenditures*.

Internal Services costs include increasing legal advisory and litigation costs for the following years: 2013–14: $1.8 million, 2014–15: $2.3 million; and 2015–16: $2.4 million planned. In future years, these costs will be attributed to the Environmental Assessment Delivery Program (2016–17 onwards: $2.5 million planned) as they are primarily attributable to EA decisions. The Agency's ongoing budget absorbs these increasing legal advisory and litigation costs. It is significant to note that litigation costs, in particular, have increased from $202K in 2012–13 to $1.3 million in 2016–17.

For the period between 2016–17 and 2018–19, the planned spending reflects funding approved by the Treasury Board to support the Agency's strategic outcome.

The Agency operates in a continuously changing environment impacted by outside factors, including the economy, which can significantly impact the type, timing, volume and distribution of projects subject to EA. Accurately forecasting where and when resources will be needed is an operational challenge.

As in the past, due to a shortfall in operational and salary funding (2013–14: $3.0 million, 2014–15: $1.6 million, 2015–16: anticipated $2.6 million), the Agency will be required to fund some of these costs from other Agency allocated sources. These operational and salary shortfalls have been previously funded from the Agency's committed yet unexpended lapsed Participant Funding Program allotment (2013–14: $893K, 2014–15: $893K, 2015–16: anticipated $2 million) and a central agency paylist reimbursement related to deficiency in pay related costs (2013–14: $2.1 million, 2014–15: $663K, 2015–16: anticipated $575K).

In 2016–17, it is anticipated that the Agency will be subject to a number of additional financial pressures including: costs related to the review of EA processes; costs associated with the delivery of non-cost recoverable EA review panels; increasing legal and litigation costs; and potential accommodation relocation costs due to the expiry of a number of office leases. These costs have not been reflected in the planned spending and the Agency will develop strategies to manage these pressures as details and timing of these activities become clearer.

The level of demand to fund public participation in EAs depends on the number of major projects under assessment and on the timing of requests for reimbursement of expenditures by participants. For example, participants may be approved for funding in a given fiscal year but may not ultimately be reimbursed for the funding until a subsequent fiscal year depending on the pace at which an EA proceeds. Such circumstances result in

a potential lapse of unspent contribution funds and the creation of an unfunded liability for a future year because all commitments are carried forward from one year to another and are honoured by the Agency. As of March 31, 2015, the Agency's total unfunded liability related to the Participant Funding Program amounts to $5.0 million.

The human resources required to sustain an average level of employment over 12 months are based on a 37.5-hour work week. One FTE equals one person working full-time on a 37.5-hour work week for the year, or any number of part-time employees whose combined hours of work equal one FTE. The Agency plans to use 234 FTEs in 2016–17.

Alignment of Spending With the Whole-of-Government Framework

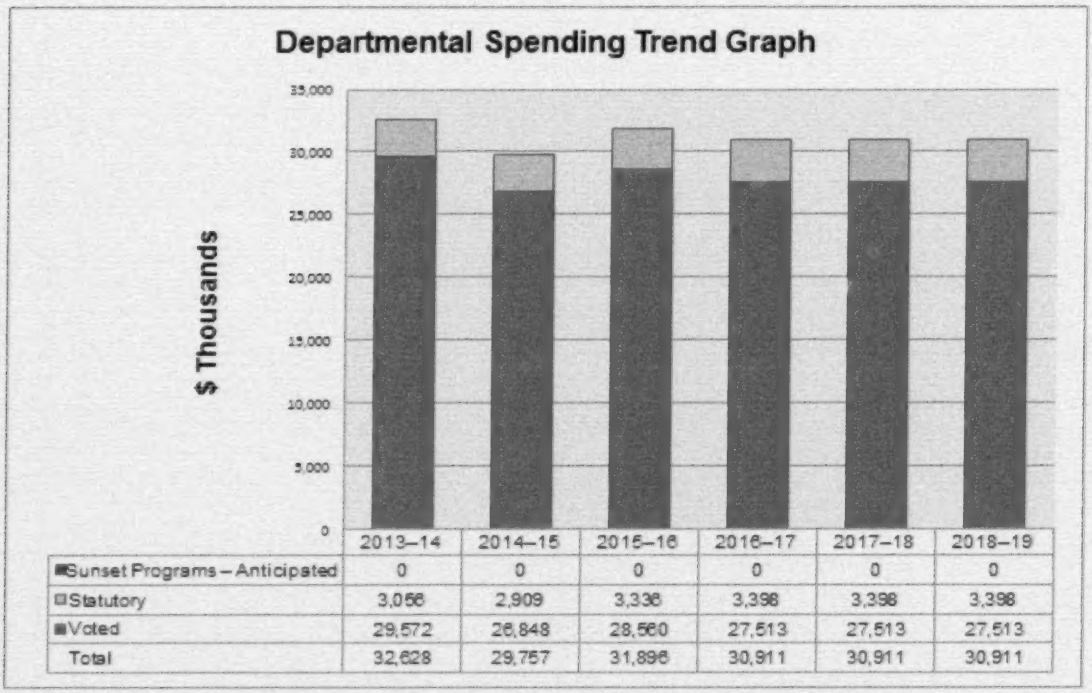
Alignment of 2016–17 Planned Spending With the Whole-of-Government Framework[iv] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2016–17 Planned Spending
1 High-quality and timely environmental assessments of major projects to protect the environment and support economic growth	1.1 Environmental Assessment Policy	Economic Affairs	Strong Economic Growth	3,932,432
	1.2 Environmental Assessment Delivery	Economic Affairs	Strong Economic Growth	21,729,743

Total Planned Spending by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic Affairs	25,662,175
Social Affairs	0
International Affairs	0
Government Affairs	0

Departmental Spending Trend



	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Sunset Programs – Anticipated	0	0	0	0	0	0
Statutory	3,056	2,909	3,336	3,398	3,398	3,398
Voted	29,572	26,848	28,560	27,513	27,513	27,513
Total	32,628	29,757	31,896	30,911	30,911	30,911

The Agency's forecasted spending for 2015–16 is expected to be $31.9 million, an increase of $2.1 million (7 percent) from 2014–15 actual spending. This is mainly attributable to an anticipated increase in legal advisory and litigation costs, and a $1.8-million decrease in forecasted cost-recoverable expenditures.

The analysis in the Budgetary Planning Summary section of this report includes a more detailed explanation on variances.

Estimates by Vote

For information on the Agency's organizational appropriations, consult the 2016–17 Main Estimates.[v]

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome:

High-quality and timely environmental assessments of major projects to protect the environment and support economic growth.

Program 1.1: Environmental Assessment Policy

Description

The Environmental Assessment Policy program develops and promotes robust policies and practices for high-quality environmental assessment (EA) in accordance with the *Canadian Environmental Assessment Act, 2012*. This is achieved by building and reinforcing policies, procedures, and criteria for the conduct of federal EA, by promoting cooperation and coordinated action between the federal government and other jurisdictions, by promoting communication and cooperation with Indigenous Peoples, and by developing instruments and training for EA practitioners. EA Policy enables continuous improvement through research, monitoring, analysis, and advice. Recommendations inform the development of new regulatory and policy approaches, as well as the revision of guidance, training and knowledge-based instruments. The program also provides support for the conduct of EA through various means, such as federal-provincial agreements and policy criteria.

Budgetary Financial Resources (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
3,932,432	3,932,432	3,932,432	3,932,432

Human Resources (Full-Time Equivalents [FTEs])

2016–17	2017–18	2018–19
42	42	42

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
High-quality EAs enabled through research, analysis and monitoring to produce effective policy instruments	Percentage of users of Agency policy instruments who indicated moderate to high satisfaction with these instruments	75%	2016-17 and ongoing

Planning Highlights

To achieve the expected result for this program, the Agency plans to:

- Provide analysis, advice and support for the review of EA processes and any required follow up action;
- Address key policy issues raised by Indigenous Peoples during EA processes, and provide advice to Indigenous and Northern Affairs Canada for the negotiation of EA provisions in agreements with Indigenous Peoples;
- Engage the public, stakeholders and Indigenous Peoples in the development of policy and guidance related to EA or Indigenous consultation in the EA process;
- Develop approaches to early engagement with Indigenous Peoples on issues of interest in areas of resource development activity;
- Provide training and guidance to Indigenous groups to promote early engagement with Indigenous Peoples and adequate consultation during an EA;
- Provide information and training to those engaged in the EA process, including practitioners, stakeholders, Indigenous Peoples, and the public;
- Develop, promote and implement approaches to enhance research partnerships and build advisory networks that address the scientific basis common to project EAs;
- Develop approaches and instruments with interested provincial and territorial governments to support the implementation of CEAA 2012, including provisions related to cooperation, delegation, substitution and/or equivalency;
- Provide federal leadership on EA as the Federal Administrator under the *James Bay and Northern Quebec Agreement* and the *Northeastern Quebec Agreement;*
- Engage with international partners on capacity-building;
- Explore potential opportunities to assess cumulative effects in a region by engaging with partners and stakeholders;
- Provide training to other departments on strategic environmental assessment of policy, plan and program proposals; and
- Work with federal authorities responsible for projects on federal lands and outside of Canada to achieve consistent implementation of CEAA 2012.

Program 1.2: Environmental Assessment Delivery

Description

This program ensures that high-quality environmental assessments of major projects are conducted and completed in a timely and predictable way, thereby supporting economic growth while preventing or reducing adverse environmental effects. The most appropriate means of avoiding duplication of assessment activities with other jurisdictions is applied, thereby increasing efficiency and providing certainty for all participants in the process. The Agency will promote, monitor, and facilitate compliance with the *Canadian Environmental Assessment Act, 2012*. The environmental assessment process provides for the meaningful participation of the public and Indigenous groups. Indigenous consultation obligations are integrated to the greatest extent possible with the federal environmental assessment process. As such, the Agency consults with Indigenous groups during the environmental assessment process to assess how the proposed project may adversely impact potential or established Indigenous or treaty rights and related interests, and find ways to avoid or minimize these adverse impacts. This program uses funding from the following transfer payments: the Participant Funding Program, and the *James Bay and Northern Quebec Agreement*.

Budgetary Financial Resources (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
21,729,743	21,729,743	21,729,743	21,729,743

Human Resources (FTEs)

2016–17	2017–18	2018–19
142	142	142

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Deliver EAs within timelines established under CEAA 2012	Percentage of EAs conducted by the Agency that adhere to CEAA 2012 timelines	100%	FY 2016–17 and Ongoing
EA process provides meaningful participation of Indigenous groups and integrates Crown consultation to the greatest extent possible	Percentage of Indigenous groups with high or moderate potential for being affected by a project that provided comments on EA documents to the Agency	90%	FY 2016–17

Deliver high-quality EAs	Percentage of projects undergoing follow-up and monitoring for which the Agency received a report during the reporting period that indicated that the mitigation measures set out in the EA decision statement would effectively address the environmental effects of the project	90%	FY 2016–17 and Ongoing
	Where adaptive management measures set out in the EA decision statement were required as a result of a follow-up and monitoring report and a report was received by the Agency on the implementation of those measures during the reporting period, the percentage of projects where the adaptive management measures led to effectively addressing the environmental effects of the project	90%	FY 2016–17 and Ongoing

Planning Highlights

To achieve the expected results, the Agency plans to:

- Continue to develop and maintain operational policies, procedures, service standards, and guidance to support quality, consistency, and predictability in federal EAs;
- Lead interdepartmental committees to facilitate the exchange of information and best practices, and develop and implement strategies to improve consistency and timeliness in federal EAs;
- Provide comprehensive access to documents related to the conduct of EAs and compliance verification and enforcement activities through the Canadian Environmental Assessment Registry Internet site in support of public participation in the EA process for EAs that the Agency conducts;
- Work with provinces to identify the most efficient and effective means of accomplishing the goal of "one project, one review";
- Work with federal authorities, as Crown Consultation Coordinator for federal EAs conducted by the Agency or by a review panel, to apply an efficient and effective whole-of-government approach to consultation with Indigenous Peoples potentially affected by projects;

- Undertake compliance and enforcement activities to ensure compliance with CEAA 2012, its regulations and, conditions set out in the Minister's EA decision statements;
- Seek opportunities to promote compliance with CEAA 2012 to proponents, industry associations and other stakeholders;
- Ensure an effective and efficient implementation of the EA process in areas where CEAA 2012 and other impact assessment requirements established under land claims agreements coexist (e.g., James Bay and Northern Quebec Agreement, Nisga'a Final Agreement, Inuvialuit Final Agreement);
- Through the Participant Funding Program, facilitate the involvement of Indigenous Peoples and the public in EAs for which the Agency is responsible;
- Apply effective management practices in planning and delivering the Agency's statutory and policy responsibilities for federal EAs; and
- Provide employees with the required knowledge, guidance, and training to deliver high-quality EAs and promote compliance with CEAA 2012.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Budgetary Financial Resources (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
5,248,860	5,248,860	5,248,860	5,248,860

Human Resources (FTEs)

2016–17	2017–18	2018–19
50	50	50

Planning Highlights

To support achievement of the Agency's expected results including modernizing business and information management practices in alignment with Government of Canada policy direction including common systems, the Agency plans to:

- Increase the Agency's ability to be "digital by default" in the way it communicates with Canadians by making important progress in the area of strategic communications to increase transparency and modernize communications processes;
- Grow the Agency's digital presence and create shareable information and tools that engage Canadians and Indigenous Peoples in the EA process;
- Focus on Web Renewal, including the Agency's transition to Canada.ca and migrating the Agency's Intranet site onto a new, standardized and interactive platform that facilitates employee engagement;
- Implement the Agency's internal control workplan on a risk-based approach to support effective and efficient Agency operations; reliability of financial reporting; and compliance with the laws, statutes and regulations that govern the Agency;

- Review efficiency and effectiveness of key internal business processes;
- Roll out Phase I of the Agency's new Environmental Assessment Management System based on the Shared Case Management System of the Government of Canada and initiate requirements discovery for Phase II;
- Implement the Agency's updated Information Technology security management process;
- Manage the Agency's accommodations portfolio in a cost-effective way in collaboration with central agencies and Public Services and Procurement;
- Implement the Agency's Business Continuity Plan and the review of the Agency's Security Plan by incorporating the requirements of the *Policy on Government Security;*
- Migrate the operational system for the management of access to information and privacy to the new Government of Canada standard once it is available for implementation;
- Provide training to employees on the new Information Management classification plan for the Agency in preparation for the eventual integration into the Government of Canada's shared Information Management System (GCDOCS);
- Complete the migration of end users to YES (Your E-mail System) in order to be in-line with government wide e-mail solution;
- Begin the on-boarding process for the Government of Canada Human Resources Account (My GCHR) in spring 2016 with a gradual implementation through the spring of 2019;
- Transform the Agency's existing pay system, in collaboration with Public Services and Procurement Canada and Environment and Climate Change Canada, as part of government-wide Phoenix initiatives, scheduled for completion in 2016;
- Modernize the Agency's staffing practices and framework based on the new direction of the Public Service Commission;
- Continue to harness the power of Blueprint 2020, turning employees' ideas into action; and
- Continue implementing the Agency Learning Series, ensuring that it is aligned with the 2014–17 Agency Integrated Human Resources Plan and the 2014–17 Employment Equity Plan.

Section III: Supplementary Information

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of the Agency's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Report on Plans and Priorities are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on the Agency's website.[vi]

Future-Oriented Condensed Statement of Operations
For the Year Ended March 31, 2016
(dollars)

Financial Information	2015–16 Forecast Results	2016–17 Planned Results	Difference (2016–17 Planned Results minus 2015–16 Forecast Results)
Total expenses	37,846,984	40,105,538	2,258,554
Total revenues	1,156,224	4,500,000	3,343,776
Net cost of operations before government funding and transfers	36,690,760	35,605,538	(1,085,222)

Total Agency operational expenses are expected to increase by $2.3 million, or 5.6 percent, from $37.8 million in 2015–2016 to $40.1 million in 2016–2017. The overall increase is mainly attributable to the costs associated with the increase of environmental assessment and Indigenous consultation processes. The $3.3 million increase in planned revenues for 2016–2017 is the result of an increase in forecasted cost-recoverable panel reviews.

Supplementary Information Tables

The supplementary information tables listed in the *2016–17 Report on Plans and Priorities* are available on the Agency's website.[vii]

- Departmental Sustainable Development Strategy;
- Disclosure of Transfer Payment Programs Under $5 Million; and
- Upcoming Internal Audits and Evaluations Over the Next Three Fiscal Years.

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the Tax Expenditures and Evaluations publication.[viii] The tax measures presented in that publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

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Appendix: Definitions

Appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent: A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures: Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures: Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

i. **Mandate letter**, http://pm.gc.ca/eng/minister-environment-and-climate-change-mandate-letter

ii. ***Canadian Environmental Assessment Act, 2012***, http://laws-lois.justice.gc.ca/eng/acts/C-15.21/index.html

iii. **Prime Minister of Canada's website**, http://pm.gc.ca/eng/ministerial-mandate-letters

iv. **Whole-of-government framework**, http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

v. **2016–17 Main Estimates**, http://www.tbs-sct.gc.ca/hgw-cgf/finances/pgs-pdg/gepme-pdgbpd/index-eng.asp

vi. **Canadian Environmental Assessment Agency's website**, http://www.ceaa-acee.gc.ca/default.asp?lang=En&n=C5C19E38-1

vii. **ibid.**

viii. **Tax Expenditures and Evaluations publication**, http://www.fin.gc.ca/purl/taxexp-eng.asp